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ASSOCIATION

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June 28, 2002

Ms. Karen Getman, Chairman  
Fair Political Practices Commission  
428 J Street, Suite 620  
Sacramento, CA 95814

RE: Terilyn Hanko, FPPC Opinion 0-02-088

Dear Commissioner Getman:

The California Nurses Association represents some 350 registered nurses who work at Mills-Peninsula Health System, a division of Sutter Health Care. We are writing to urge the FPPC to overrule the FPPC staff advise letter that would find that Terilyn Hanko, an elected Trustee of the Peninsula Health Care District, has a conflict of interest regarding Sutter/Mills Peninsula Health System.

The purpose of this letter is to explain to the FPPC the real world implications that the staff advise letter would have on patients and residents of the Peninsula Health Care District. If Ms. Hanko is rendered unable to provide the independent voice in matters concerning the relationship between the public health care district and the private operator of its hospital, the FPPC will be handing Sutter/Mills Peninsula an enormous victory.

California Nurses Association has long opposed the privatization of public health care districts. Peninsula is one of many districts in our state that have become mere landlords who have turned over the operational control of public hospitals to private corporations. To assure the public's access to quality health services, CNA supports candidates for health care boards who fight to re-assert the authority of elected boards over private hospital operators such as Sutter/Mills Peninsula. These private operators consistently oppose these efforts.

Our members knew Ms. Hanko from her work in the health care field. Ms. Hanko ran for a seat on the Peninsula Health Care Board of Trustees at our urging. We knew that she would be a trustee that would not be controlled by Sutter/Mills Peninsula. Indeed, since her election she has been an outspoken critic of Sutter/Mills Peninsula's overarching goal, which is, under the cover of building a new hospital, to restructure the governing relationship between the Peninsula Health Care District and Sutter/Mills Peninsula, stripping the public of any voice in crucial health care decisions for a period of 50 years.

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In the past, Sutter/Mills Peninsula dominated the Peninsula Health Care District. Through front organizations, Sutter/Mills Peninsula runs and contributes to candidates. Over the years, Sutter/Mills Peninsula has milked the Peninsula Health Care District for millions in surplus corporate income. When this dominance was broken by the election of independent trustees in the mid 1990's, the District challenged in court the original mid 1980's creation of the Peninsula Health Care District's relationship with Mills Peninsula. The case is currently on appeal. We believe, based on a precedent case involving the Grossmont Health Care District, that it is likely that the courts will conclude that the District's relationship with Mills Peninsula is unlawful and will dissolve the relationship.

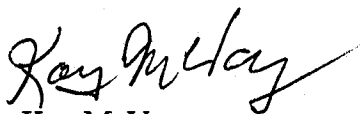
This has led Sutter/Mills Peninsula to dangle the carrot of a new hospital before the District in exchange for withdrawing the lawsuit and relinquishing any control over the hospital for 50 years. Ms. Hanko opposes Sutter/Mills Peninsula's deal and will fight to assert the rightful role of the public district.

Sutter/Mills Peninsula would like nothing more than to silence Ms. Hanko. As long as she is able to speak out and vote on matters involving Sutter/Mills Peninsula, she will remain a watchdog for the public and an effective foe of Sutter/ Mills Peninsula's schemes to dominate an elected public agency.

It would be an ironic result indeed if the FPPC accepted the tortured logic of its staff advise letter and concluded Ms. Hanko is somehow compromised in her dealings with Sutter/ Mills Peninsula. By such a finding, the FPPC would silence a voice that Sutter/ Mills Peninsula wants so badly to muzzle.

We support Roger Brown's legal reasoning against a finding of a conflict of interest. We want the FPPC to understand what is really going on in this matter. Thank you for your attention and consideration.

Sincerely,



Kay McVay  
President

Cc: Members of the FPPC  
Hon. Terilyn Hanko